

“(1) use such program integrity tools as the Secretary may specify; and

“(2) as directed by the Secretary, conduct user accessibility testing on any new system developed by the Secretary pursuant to subsection (b)(2).”.

PART 4—OTHER PROVISIONS

SEC. 9041. EXTENSION OF LIMITATION ON EXCESS BUSINESS LOSSES OF NONCORPORATE TAXPAYERS.

(a) IN GENERAL.—Section 461(l)(1) of the Internal Revenue Code of 1986 is amended by striking “January 1, 2026” each place it appears and inserting “January 1, 2027”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 9042. SUSPENSION OF TAX ON PORTION OF UNEMPLOYMENT COMPENSATION.

(a) IN GENERAL.—Section 85 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

“(c) SPECIAL RULE FOR 2020.—

“(1) IN GENERAL.—In the case of any taxable year beginning in 2020, if the adjusted gross income of the taxpayer for such taxable year is less than \$150,000, the gross income of such taxpayer shall not include so much of the unemployment compensation received by such taxpayer (or, in the case of a joint return, received by each spouse) as does not exceed \$10,200.

“(2) APPLICATION.—For purposes of paragraph (1), the adjusted gross income of the taxpayer shall be determined—

“(A) after application of sections 86, 135, 137, 219, 221, 222, and 469, and

“(B) without regard to this section.”.

(b) CONFORMING AMENDMENTS.—

(1) Section 74(d)(2)(B) of the Internal Revenue Code of 1986 is amended by inserting “85(c),” before “86”.

(2) Section 86(b)(2)(A) of such Code is amended by inserting “85(c),” before “135”.

(3) Section 135(c)(4)(A) of such Code is amended by inserting “85(c),” before “137”.

(4) Section 137(b)(3)(A) of such Code is amended by inserting “85(c)” before “221”.

(5) Section 219(g)(3)(A)(ii) of such Code is amended by inserting “85(c),” before “135”.

(6) Section 221(b)(2)(C)(i) of such Code is amended by inserting “85(c)” before “911”.

(7) Section 222(b)(2)(C)(i) of such Code, as in effect before date of enactment of the Taxpayer Certainty and Disaster Tax Relief Act of 2020, is amended by inserting “85(c)” before “911”.

(8) Section 469(i)(3)(E)(ii) of such Code is amended by striking “135 and 137” and inserting “85(c), 135, and 137”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2019.

Subtitle B—Emergency Assistance to Families Through Home Visiting Programs

SEC. 9101. EMERGENCY ASSISTANCE TO FAMILIES THROUGH HOME VISITING PROGRAMS.

Effective 1 day after the date of enactment of this Act, title V of the Social Security Act (42 U.S.C. 701-713) is amended by inserting after section 511 the following:

SA 1379. Mr. BRAUN submitted an amendment intended to be proposed to amendment SA 891 proposed by Mr. SCHUMER (for himself, Mr. WYDEN, Mrs. MURRAY, Mr. BROWN, Mr. PETERS, Mr. CARDIN, Ms. CANTWELL, Ms. STABENOW, Mr. TESTER, Mr. MENENDEZ, Mr. SCHATZ, Mr. CARPER, Mr. LEAHY, and Mr. SANDERS) to the bill H.R. 1319, to provide for reconciliation pursuant to title II of S. Con. Res. 5; which was ordered to lie on the table; as follows:

Strike section 4001 and insert the following:

SEC. 4001. PROTECTING THE RIGHT TO KEEP AND BEAR ARMS.

(a) LIMITATION ON DECLARATIONS BY PRESIDENT.—The President (or any designee thereof) shall not, for the purpose of confiscating firearms or ammunition magazines, or prohibiting or otherwise regulating the possession, manufacture, sale, or transfer of firearms or ammunition magazines, declare an emergency pursuant to the National Emergencies Act (50 U.S.C. 1601 et seq.) or an emergency or major disaster pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

(b) FIREARMS POLICIES.—Section 706 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5207) is amended—

(1) in subsection (a)—

(A) in paragraph (3) by striking “; or” and inserting a semicolon;

(B) in paragraph (4) by striking the period and inserting a semicolon; and

(C) by adding at the end the following:

“(5) prohibit the manufacturing, sale, or transfer of firearms; or

“(6) prohibit the manufacturing, sale, or transfer of ammunition.”; and

(2) in subsection (c), by adding at the end the following:

“(4) AWARD.—Any prevailing party in an action under this section shall be awarded not less than \$5,000,000, adjusted for inflation.”.

SA 1380. Mr. LEE (for himself and Mr. RUBIO) submitted an amendment intended to be proposed to amendment SA 891 proposed by Mr. SCHUMER (for himself, Mr. WYDEN, Mrs. MURRAY, Mr. BROWN, Mr. PETERS, Mr. CARDIN, Ms. CANTWELL, Ms. STABENOW, Mr. TESTER, Mr. MENENDEZ, Mr. SCHATZ, Mr. CARPER, Mr. LEAHY, and Mr. SANDERS) to the bill H.R. 1319, to provide for reconciliation pursuant to title II of S. Con. Res. 5; which was ordered to lie on the table; as follows:

In subtitle G of title IX, strike part 2 and all that follows through the end of part 4 and insert the following:

PART 2—CHILD TAX CREDIT

SEC. 9611. CHILD TAX CREDIT IMPROVEMENTS FOR 2021.

(a) IN GENERAL.—Section 24 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

“(i) SPECIAL RULES FOR 2021.—In the case of any taxable year beginning after December 31, 2020, and before January 1, 2022—

“(1) REFUNDABLE CREDIT.—Paragraphs (5) and (6) of subsection (h) shall not apply, and in applying subsection (d)—

“(A) subsection (d)(1)(A) shall be applied without regard to subsection (h)(4), and

“(B) subsection (d)(1)(B)(i) shall be applied by substituting ‘15.3 percent of the taxpayer’s earned income (within the meaning of section 32) which is taken into account in computing taxable income’ for ‘15 percent of so much of the taxpayer’s earned income (within the meaning of section 32) which is taken into account in computing taxable income for the taxable year as exceeds \$3,000’.

“(2) 17-YEAR-OLDS ELIGIBLE FOR TREATMENT AS QUALIFYING CHILDREN.—This section shall be applied—

“(A) by substituting ‘age 18’ for ‘age 17’ in subsection (c)(1), and

“(B) by substituting ‘described in subsection (c) (determined after the application of subsection (i)(2)(A))’ for ‘described in subsection (c)’ in subsection (h)(4)(A).

“(3) CREDIT AMOUNT.—Subsection (h)(2) shall not apply and subsection (a) shall be applied by substituting ‘\$3,300 (\$4,100 in the case of a qualifying child who has not attained age 6 as of the close of the calendar year in which the taxable year of the taxpayer begins)’ for ‘\$1,000’.

“(4) REDUCTION OF INCREASED CREDIT AMOUNT BASED ON MODIFIED ADJUSTED GROSS INCOME.—

“(A) IN GENERAL.—The amount of the credit allowable under subsection (a) (determined without regard to subsection (b)) shall be reduced by \$50 for each \$1,000 (or fraction thereof) by which the taxpayer’s modified adjusted gross income (as defined in subsection (b)) exceeds the applicable threshold amount.

“(B) APPLICABLE THRESHOLD AMOUNT.—For purposes of this paragraph, the term ‘applicable threshold amount’ means—

“(i) \$150,000, in the case of a joint return or surviving spouse (as defined in section 2(a)) ,

“(ii) \$112,500, in the case of a head of household (as defined in section 2(b)), and

“(iii) \$75,000, in any other case.

“(C) LIMITATION ON REDUCTION.—

“(i) IN GENERAL.—The amount of the reduction under subparagraph (A) shall not exceed the lesser of—

“(I) the applicable credit increase amount, or

“(II) 5 percent of the applicable phaseout threshold range.

“(ii) APPLICABLE CREDIT INCREASE AMOUNT.—For purposes of this subparagraph, the term ‘applicable credit increase amount’ means the excess (if any) of—

“(I) the amount of the credit allowable under this section for the taxable year determined without regard to this paragraph and subsection (b), over

“(II) the amount of such credit as so determined and without regard to paragraph (3).

“(iii) APPLICABLE PHASEOUT THRESHOLD RANGE.—For purposes of this subparagraph, the term ‘applicable phaseout threshold range’ means the excess of—

“(I) the threshold amount applicable to the taxpayer under subsection (b) (determined after the application of subsection (h)(3)), over

“(II) the applicable threshold amount applicable to the taxpayer under this paragraph.

“(D) COORDINATION WITH LIMITATION ON OVERALL CREDIT.—Subsection (b) shall be applied by substituting ‘the credit allowable under subsection (a) (determined after the application of subsection (i)(4)(A) for ‘the credit allowable under subsection (a)’.’.

(b) ADVANCE PAYMENT OF CREDIT.—

(1) IN GENERAL.—Chapter 77 of such Code is amended by inserting after section 7527 the following new section:

“SEC. 7527A. ADVANCE PAYMENT OF CHILD TAX CREDIT.

“(a) IN GENERAL.—The Secretary shall establish a program for making periodic payments to taxpayers which, in the aggregate during any calendar year, equal the annual advance amount determined with respect to such taxpayer for such calendar year. Except as provided in subsection (b)(3)(B), the periodic payments made to any taxpayer for any calendar year shall be in equal amounts.

“(b) ANNUAL ADVANCE AMOUNT.—For purposes of this section—

“(1) IN GENERAL.—Except as otherwise provided in this subsection, the term ‘annual advance amount’ means, with respect to any taxpayer for any calendar year, the amount (if any) which is estimated by the Secretary as being equal to 50 percent of the amount which would be treated as allowed under subpart C of part IV of subchapter A of chapter 1 by reason of section 24(d) (after application

of subsection (i)(1) thereof) for the taxpayer's taxable year beginning in such calendar year if—

“(A) the taxpayer's modified adjusted gross income for such taxable year is equal to the taxpayer's modified adjusted gross income for the reference taxable year,

“(B) the only children of such taxpayer for such taxable year are qualifying children properly claimed on the taxpayer's return of tax for the reference taxable year,

“(C) the ages of such children (and the status of such children as qualifying children) are determined for such taxable year by taking into account the passage of time since the reference taxable year, and

“(D) the earned income (within the meaning of section 32) which is taken into account in computing taxable income for the taxable year of such taxpayer for such taxable year is equal to the earned income for the reference taxable year.

“(2) REFERENCE TAXABLE YEAR.—Except as provided in paragraph (3)(A), the term ‘reference taxable year’ means, with respect to any taxpayer for any calendar year, the taxpayer's taxable year beginning in the preceding calendar year or, in the case of taxpayer who did not file a return of tax for such taxable year, the taxpayer's taxable year beginning in the second preceding calendar year.

“(3) MODIFICATIONS DURING CALENDAR YEAR.—

“(A) IN GENERAL.—The Secretary may modify, during any calendar year, the annual advance amount with respect to any taxpayer for such calendar year to take into account—

“(i) a return of tax filed by such taxpayer during such calendar year (and the taxable year to which such return relates may be taken into account as the reference taxable year), and

“(ii) any other information provided by the taxpayer to the Secretary which allows the Secretary to determine payments under subsection (a) which, in the aggregate during any taxable year of the taxpayer, more closely total the Secretary's estimate of the amount treated as allowed under subpart C of part IV of subchapter A of chapter 1 by reason of section 24(i)(1) for such taxable year of such taxpayer.

“(B) ADJUSTMENT TO REFLECT EXCESS OR DEFICIT IN PRIOR PAYMENTS.—In the case of any modification of the annual advance amount under subparagraph (A), the Secretary may adjust the amount of any periodic payment made after the date of such modification to properly take into account the amount by which any periodic payment made before such date was greater than or less than the amount that such payment would have been on the basis of the annual advance amount as so modified.

“(4) TREATMENT OF CERTAIN DEATHS.—A child shall not be taken into account in determining the annual advance amount under paragraph (1) if the death of such child is known to the Secretary as of the beginning of the calendar year for which the estimate under such paragraph is made.

“(C) ON-LINE INFORMATION PORTAL.—The Secretary shall establish an on-line portal which allows taxpayers to—

“(1) elect not to receive payments under this section, and

“(2) provide information to the Secretary which would be relevant to a modification under subsection (b)(3)(B) of the annual advance amount, including information regarding—

“(A) a change in the number of the taxpayer's qualifying children, including by reason of the birth of a child,

“(B) a change in the taxpayer's marital status,

“(C) a significant change in the taxpayer's income, and

“(D) any other factor which the Secretary may provide.

“(d) NOTICE OF PAYMENTS.—Not later than January 31 of the calendar year following any calendar year during which the Secretary makes one or more payments to any taxpayer under this section, the Secretary shall provide such taxpayer with a written notice which includes the taxpayer's taxpayer identity (as defined in section 6103(b)(6)), the aggregate amount of such payments made to such taxpayer during such calendar year, and such other information as the Secretary determines appropriate.

“(e) ADMINISTRATIVE PROVISIONS.—

“(1) APPLICATION OF ELECTRONIC FUNDS PAYMENT REQUIREMENT.—The payments made by the Secretary under subsection (a) shall be made by electronic funds transfer to the same extent and in the same manner as if such payments were Federal payments not made under this title.

“(2) APPLICATION OF CERTAIN RULES.—Rules similar to the rules of subparagraphs (B) and (C) of section 6428A(f)(3) shall apply for purposes of this section.

“(3) EXCEPTION FROM REDUCTION OR OFFSET.—Any payment made to any individual under this section shall not be—

“(A) subject to reduction or offset pursuant to subsection (c), (d), (e), or (f) of section 6402, or

“(B) reduced or offset by other assessed Federal taxes that would otherwise be subject to levy or collection.

“(4) APPLICATION OF ADVANCE PAYMENTS IN THE POSSESSIONS OF THE UNITED STATES.—

“(5) ADVANCE PAYMENTS NOT APPLICABLE TO POSSESSIONS OF THE UNITED STATES.—

“(A) IN GENERAL.—In the case of any possession of the United States with a mirror code tax system (as defined in section 24(k)), this section shall not be treated as part of the income tax laws of the United States for purposes of determining the income tax law of such possession.

“(B) ADMINISTRATIVE EXPENSES OF ADVANCE PAYMENTS.—

“(i) MIRROR CODE POSSESSIONS.—In the case of any possession described in subparagraph (B) which makes the election described in such subparagraph, the amount otherwise paid by the Secretary to such possession under section 24(k)(1)(A) with respect to taxable years beginning in 2021 shall be increased by \$300,000 if such possession has a plan, which has been approved by the Secretary, for making advance payments consistent with such election.

“(ii) AMERICAN SAMOA.—The amount otherwise paid by the Secretary to American Samoa under subparagraph (A) of section 24(k)(3) with respect to taxable years beginning in 2021 shall be increased by \$300,000 if the plan described in subparagraph (B) of such section includes a program, which has been approved by the Secretary, for making advance payments under rules similar to the rules of this section.

“(iii) TIMING OF PAYMENT.—The Secretary may pay, upon the request of the possession of the United States to which the payment is to be made, the amount of the increase determined under clause (i) or (ii) immediately upon approval of the plan referred to in such clause, respectively.

“(f) APPLICATION.—No payments shall be made under the program established under subsection (a) with respect to—

“(1) any period before July 1, 2021, or

“(2) any period after December 31, 2021.

“(g) REGULATIONS.—The Secretary shall issue such regulations or other guidance as the Secretary determines necessary or appropriate to carry out the purposes of this section and subsections (i)(1) and (j) of sec-

tion 24, including regulations or other guidance which provides for the application of such provisions where the filing status of the taxpayer for a taxable year is different from the status used for determining the annual advance amount.”

(2) RECONCILIATION OF CREDIT AND ADVANCE CREDIT.—Section 24 of such Code, as amended by the preceding provision of this Act, is amended by adding at the end the following new subsection:

“(j) RECONCILIATION OF CREDIT AND ADVANCE CREDIT.—

“(1) IN GENERAL.—The amount of the credit allowed under this section to any taxpayer for any taxable year shall be reduced (but not below zero) by the aggregate amount of payments made under section 7527A to such taxpayer during such taxable year. Any failure to so reduce the credit shall be treated as arising out of a mathematical or clerical error and assessed according to section 6213(b)(1).

“(2) EXCESS ADVANCE PAYMENTS.—

“(A) IN GENERAL.—If the aggregate amount of payments under section 7527A to the taxpayer during the taxable year exceeds the amount of the credit allowed under this section to such taxpayer for such taxable year (determined without regard to paragraph (1)), the tax imposed by this chapter for such taxable year shall be increased by the amount of such excess. Any failure to so increase the tax shall be treated as arising out of a mathematical or clerical error and assessed according to section 6213(b)(1).

“(B) SAFE HARBOR BASED ON MODIFIED ADJUSTED GROSS INCOME.—

“(i) IN GENERAL.—In the case of a taxpayer whose modified adjusted gross income (as defined in subsection (b)) for the taxable year does not exceed 200 percent of the applicable income threshold, the amount of the increase determined under subparagraph (A) with respect to such taxpayer for such taxable year shall be reduced (but not below zero) by the safe harbor amount.

“(ii) PHASE OUT OF SAFE HARBOR AMOUNT.—In the case of a taxpayer whose modified adjusted gross income (as defined in subsection (b)) for the taxable year exceeds the applicable income threshold, the safe harbor amount otherwise in effect under clause (i) shall be reduced by the amount which bears the same ratio to such amount as such excess bears to the applicable income threshold.

“(iii) APPLICABLE INCOME THRESHOLD.—For purposes of this subparagraph, the term ‘applicable income threshold’ means—

“(I) \$60,000 in the case of a joint return or surviving spouse (as defined in section 2(a)),

“(II) \$50,000 in the case of a head of household, and

“(III) \$40,000 in any other case.

“(iv) SAFE HARBOR AMOUNT.—For purposes of this subparagraph, the term ‘safe harbor amount’ means, with respect to any taxable year, the product of—

“(I) \$2,000, multiplied by

“(II) the excess (if any) of the number of qualified children taken into account in determining the annual advance amount with respect to the taxpayer under section 7527A with respect to months beginning in such taxable year, over the number of qualified children taken into account in determining the credit allowed under this section for such taxable year.”

(3) COORDINATION WITH WAGE WITHHOLDING.—Section 3402(f)(1)(C) of such Code is amended by striking “section 24(a)” and inserting “section 24 (determined after application of subsection (j) thereof)”.

(4) CONFORMING AMENDMENTS.—

(A) Section 26(b)(2) of such Code is amended by striking “and” at the end of subparagraph (X), by striking the period at the end

of subparagraph (Y) and inserting “, and”, and by adding at the end the following new subparagraph:

“(Z) section 24(j)(2) (relating to excess advance payments).”.

(B) Section 6211(b)(4)(A) of such Code, as amended by the preceding provisions of this subtitle, is amended by striking “and 6428B” and inserting “6428B, and 7527A”.

(C) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended—

(i) by inserting “24,” before “25A”, and

(ii) by striking “ or 6431” and inserting “6431, or 7527A”.

(D) The table of sections for chapter 77 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 7527 the following new item:

“Sec. 7527A. Advance payment of child tax credit.”.

(5) APPROPRIATIONS TO CARRY OUT ADVANCE PAYMENTS.—Immediately upon the enactment of this Act, in addition to amounts otherwise available, there are appropriated for fiscal year 2021, out of any money in the Treasury not otherwise appropriated:

(A) \$397,200,000 to remain available until September 30, 2022, for necessary expenses for the Internal Revenue Service to carry out this section (and the amendments made by this section), which shall supplement and not supplant any other appropriations that may be available for this purpose, and

(B) \$16,200,000 to remain available until September 30, 2022, for necessary expenses for the Bureau of the Fiscal Service to carry out this section (and the amendments made by this section), which shall supplement and not supplant any other appropriations that may be available for this purpose.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2020.

(2) ESTABLISHMENT OF ADVANCE PAYMENT PROGRAM.—The Secretary of the Treasury (or the Secretary’s designee) shall establish the program described in section 7527A of the Internal Revenue Code of 1986 as soon as practicable after the date of the enactment of this Act, except that the Secretary shall ensure that the timing of the establishment of such program does not interfere with carrying out section 6428B(g) as rapidly as possible.

SEC. 9612. APPLICATION OF CHILD TAX CREDIT IN POSSESSIONS.

(a) IN GENERAL.—Section 24 of the Internal Revenue Code of 1986, as amended by the preceding provisions of this Act, is amended by adding at the end the following new subsection:

“(k) APPLICATION OF CREDIT IN POSSESSIONS.—

“(1) MIRROR CODE POSSESSIONS.—

“(A) IN GENERAL.—The Secretary shall pay to each possession of the United States with a mirror code tax system amounts equal to the loss (if any) to that possession by reason of the application of this section (determined without regard to this subsection) with respect to taxable years beginning after 2020. Such amounts shall be determined by the Secretary based on information provided by the government of the respective possession.

“(B) COORDINATION WITH CREDIT ALLOWED AGAINST UNITED STATES INCOME TAXES.—No credit shall be allowed under this section for any taxable year to any individual to whom a credit is allowable against taxes imposed by a possession of the United States with a mirror code tax system by reason of the application of this section in such possession for such taxable year.

“(C) MIRROR CODE TAX SYSTEM.—For purposes of this paragraph, the term ‘mirror code tax system’ means, with respect to any

possession of the United States, the income tax system of such possession if the income tax liability of the residents of such possession under such system is determined by reference to the income tax laws of the United States as if such possession were the United States.

“(2) PUERTO RICO.—In the case of any bona fide resident of Puerto Rico (within the meaning of section 937(a)) for any taxable year beginning after December 31, 2020—

“(A) the credit determined under this section shall be allowable to such resident, and

“(B) subsection (d)(1)(B)(ii) shall be applied without regard to the phrase ‘in the case of a taxpayer with 3 or more qualifying children’.

“(3) AMERICAN SAMOA.—

“(A) IN GENERAL.—The Secretary shall pay to American Samoa amounts estimated by the Secretary as being equal to the aggregate benefits that would have been provided to residents of American Samoa by reason of the application of this section for taxable years beginning after 2020 if the provisions of this section had been in effect in American Samoa (applied as if American Samoa were the United States and without regard to the application of this section to bona fide residents of Puerto Rico under subsection (i)(1)).

“(B) DISTRIBUTION REQUIREMENT.—Subparagraph (A) shall not apply unless American Samoa has a plan, which has been approved by the Secretary, under which American Samoa will promptly distribute such payments to its residents.

“(C) COORDINATION WITH CREDIT ALLOWED AGAINST UNITED STATES INCOME TAXES.—

“(1) IN GENERAL.—In the case of a taxable year with respect to which a plan is approved under subparagraph (B), this section (other than this subsection) shall not apply to any individual eligible for a distribution under such plan.

“(ii) APPLICATION OF SECTION IN EVENT OF ABSENCE OF APPROVED PLAN.—In the case of a taxable year with respect to which a plan is not approved under subparagraph (B), rules similar to the rules of paragraph (2) shall apply with respect to bona fide residents of American Samoa (within the meaning of section 937(a)).

“(4) TREATMENT OF PAYMENTS.—For purposes of section 1324 of title 31, United States Code, the payments under this subsection shall be treated in the same manner as a refund due from a credit provision referred to in subsection (b)(2) of such section.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2020.

PART 3—EARNED INCOME TAX CREDIT

SEC. 9621. STRENGTHENING THE EARNED INCOME TAX CREDIT FOR INDIVIDUALS WITH NO QUALIFYING CHILDREN.

(a) SPECIAL RULES FOR 2021.—Section 32 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

“(n) SPECIAL RULES FOR INDIVIDUALS WITHOUT QUALIFYING CHILDREN.—In the case of any taxable year beginning after December 31, 2020, and before January 1, 2022—

“(1) DECREASE IN MINIMUM AGE FOR CREDIT.—

“(A) IN GENERAL.—Subsection (c)(1)(A)(ii)(II) shall be applied by substituting ‘the applicable minimum age’ for ‘age 25’.

“(B) APPLICABLE MINIMUM AGE.—For purposes of this paragraph, the term ‘applicable minimum age’ means—

“(i) except as otherwise provided in this subparagraph, age 19,

“(ii) in the case of a specified student (other than a qualified former foster youth or a qualified homeless youth), age 24, and

“(iii) in the case of a qualified former foster youth or a qualified homeless youth, age 18.

“(C) SPECIFIED STUDENT.—For purposes of this paragraph, the term ‘specified student’ means, with respect to any taxable year, an individual who is an eligible student (as defined in section 25A(b)(3)) during at least 5 calendar months during the taxable year.

“(D) QUALIFIED FORMER FOSTER YOUTH.—For purposes of this paragraph, the term ‘qualified former foster youth’ means an individual who—

“(i) on or after the date that such individual attained age 14, was in foster care provided under the supervision or administration of an entity administering (or eligible to administer) a plan under part B or part E of title IV of the Social Security Act (without regard to whether Federal assistance was provided with respect to such child under such part E), and

“(ii) provides (in such manner as the Secretary may provide) consent for entities which administer a plan under part B or part E of title IV of the Social Security Act to disclose to the Secretary information related to the status of such individual as a qualified former foster youth.

“(E) QUALIFIED HOMELESS YOUTH.—For purposes of this paragraph, the term ‘qualified homeless youth’ means, with respect to any taxable year, an individual who certifies, in a manner as provided by the Secretary, that such individual is either an unaccompanied youth who is a homeless child or youth, or is unaccompanied, at risk of homelessness, and self-supporting.

“(2) ELIMINATION OF MAXIMUM AGE FOR CREDIT.—Subsection (c)(1)(A)(ii)(II) shall be applied without regard to the phrase ‘but not attained age 65’.

“(3) INCREASE IN CREDIT AND PHASEOUT PERCENTAGES.—The table contained in subsection (b)(1) shall be applied by substituting ‘15.3’ for ‘7.65’ each place it appears therein.

“(4) INCREASE IN EARNED INCOME AND PHASE-OUT AMOUNTS.—

“(A) IN GENERAL.—The table contained in subsection (b)(2)(A) shall be applied—

“(i) by substituting ‘\$9,820’ for ‘\$4,220’, and

“(ii) by substituting ‘\$11,610’ for ‘\$5,280’.

“(B) COORDINATION WITH INFLATION ADJUSTMENT.—Subsection (j) shall not apply to any dollar amount specified in this paragraph.”.

(b) INFORMATION RETURN MATCHING.—As soon as practicable, the Secretary of the Treasury (or the Secretary’s delegate) shall develop and implement procedures to use information returns under section 6050S (relating to returns relating to higher education tuition and related expenses) to check the status of individuals as specified students for purposes of section 32(n)(1)(B)(ii) of the Internal Revenue Code of 1986 (as added by this section).

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2020.

SEC. 9622. TAXPAYER ELIGIBLE FOR CHILDLESS EARNED INCOME CREDIT IN CASE OF QUALIFYING CHILDREN WHO FAIL TO MEET CERTAIN IDENTIFICATION REQUIREMENTS.

(a) IN GENERAL.—Section 32(c)(1) of the Internal Revenue Code of 1986 is amended by striking subparagraph (F).

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2020.

SEC. 9623. CREDIT ALLOWED IN CASE OF CERTAIN SEPARATED SPOUSES.

(a) IN GENERAL.—Section 32(d) of the Internal Revenue Code of 1986 is amended—

(1) by striking “MARRIED INDIVIDUALS.—In the case of” and inserting the following: “MARRIED INDIVIDUALS.—

“(1) IN GENERAL.—In the case of”, and

(2) by adding at the end the following new paragraph:

“(2) DETERMINATION OF MARITAL STATUS.—For purposes of this section—

“(A) IN GENERAL.—Except as provided in subparagraph (B), marital status shall be determined under section 7703(a).

“(B) SPECIAL RULE FOR SEPARATED SPOUSE.—An individual shall not be treated as married if such individual—

“(i) is married (as determined under section 7703(a)) and does not file a joint return for the taxable year,

“(ii) resides with a qualifying child of the individual for more than one-half of such taxable year, and

“(iii) (I) during the last 6 months of such taxable year, does not have the same principal place of abode as the individual's spouse, or

“(II) has a decree, instrument, or agreement (other than a decree of divorce) described in section 121(d)(3)(C) with respect to the individual's spouse and is not a member of the same household with the individual's spouse by the end of the taxable year.”.

(b) CONFORMING AMENDMENTS.—

(1) Section 32(c)(1)(A) of such Code is amended by striking the last sentence.

(2) Section 32(c)(1)(E)(ii) of such Code is amended by striking “(within the meaning of section 7703)”.

(3) Section 32(d)(1) of such Code, as amended by subsection (a), is amended by striking “(within the meaning of section 7703)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2020.

SEC. 9624. MODIFICATION OF DISQUALIFIED INVESTMENT INCOME TEST.

(a) IN GENERAL.—Section 32(i) of the Internal Revenue Code of 1986 is amended by striking “\$2,200” and inserting “\$10,000”.

(b) INFLATION ADJUSTMENT.—Section 32(j)(1) of such Code is amended—

(1) in the matter preceding subparagraph (A), by inserting “(2021 in the case of the dollar amount in subsection (i)(1))” after “2015”,

(2) in subparagraph (B)(i)—

(A) by striking “subsections (b)(2)(A) and (i)(1)” and inserting “subsection (b)(2)(A)”, and

(B) by striking “and” at the end,

(3) by striking the period at the end of subparagraph (B)(ii) and inserting “, and”, and

(4) by inserting after subparagraph (B)(ii) the following new clause:

“(iii) in the case of the \$10,000 amount in subsection (i)(1), ‘calendar year 2020’ for ‘calendar year 2016’.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2020.

SEC. 9625. APPLICATION OF EARNED INCOME TAX CREDIT IN POSSESSIONS OF THE UNITED STATES.

(a) IN GENERAL.—Chapter 77 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

“SEC. 7530. APPLICATION OF EARNED INCOME TAX CREDIT TO POSSESSIONS OF THE UNITED STATES.

“(a) PUERTO RICO.—

“(1) IN GENERAL.—With respect to calendar year 2021 and each calendar year thereafter, the Secretary shall, except as otherwise provided in this subsection, make payments to Puerto Rico equal to—

“(A) the specified matching amount for such calendar year, plus

“(B) in the case of calendar years 2021 through 2025, the lesser of—

“(i) the expenditures made by Puerto Rico during such calendar year for education efforts with respect to individual taxpayers and tax return preparers relating to the earned income tax credit, or

“(ii) \$1,000,000.

“(2) REQUIREMENT TO REFORM EARNED INCOME TAX CREDIT.—The Secretary shall not make any payments under paragraph (1) with respect to any calendar year unless Puerto Rico has in effect an earned income tax credit for taxable years beginning in or with such calendar year which (relative to the earned income tax credit which was in effect for taxable years beginning in or with calendar year 2019) increases the percentage of earned income which is allowed as a credit for each group of individuals with respect to which such percentage is separately stated or determined in a manner designed to substantially increase workforce participation.

“(3) SPECIFIED MATCHING AMOUNT.—For purposes of this subsection—

“(A) IN GENERAL.—The term ‘specified matching amount’ means, with respect to any calendar year, the lesser of—

“(i) the excess (if any) of—

“(I) the cost to Puerto Rico of the earned income tax credit for taxable years beginning in or with such calendar year, over

“(II) the base amount for such calendar year, or

“(ii) the product of 3, multiplied by the base amount for such calendar year.

“(B) BASE AMOUNT.—

“(i) BASE AMOUNT FOR 2021.—In the case of calendar year 2021, the term ‘base amount’ means the greater of—

“(I) the cost to Puerto Rico of the earned income tax credit for taxable years beginning in or with calendar year 2019 (rounded to the nearest multiple of \$1,000,000), or

“(II) \$200,000,000.

“(ii) INFLATION ADJUSTMENT.—In the case of any calendar year after 2021, the term ‘base amount’ means the dollar amount determined under clause (i) increased by an amount equal to—

“(I) such dollar amount, multiplied by—

“(II) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting ‘calendar year 2020’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

Any amount determined under this clause shall be rounded to the nearest multiple of \$1,000,000.

“(4) RULES RELATED TO PAYMENTS.—

“(A) TIMING OF PAYMENTS.—The Secretary shall make payments under paragraph (1) for any calendar year—

“(i) after receipt of such information as the Secretary may require to determine such payments, and

“(ii) except as provided in clause (i), within a reasonable period of time before the due date for individual income tax returns (as determined under the laws of Puerto Rico) for taxable years which began on the first day of such calendar year.

“(B) INFORMATION.—The Secretary may require the reporting of such information as the Secretary may require to carry out this subsection.

“(C) DETERMINATION OF COST OF EARNED INCOME TAX CREDIT.—For purposes of this subsection, the cost to Puerto Rico of the earned income tax credit shall be determined by the Secretary on the basis of the laws of Puerto Rico and shall include reductions in revenues received by Puerto Rico by reason of such credit and refunds attributable to such credit, but shall not include any administrative costs with respect to such credit.

“(b) POSSESSIONS WITH MIRROR CODE TAX SYSTEMS.—

“(1) IN GENERAL.—With respect to calendar year 2021 and each calendar year thereafter, the Secretary shall, except as otherwise provided in this subsection, make payments to the Virgin Islands, Guam, and the Commonwealth of the Northern Mariana Islands equal to—

“(A) the cost to such possession of the earned income tax credit for taxable years beginning in or with such calendar year, plus

“(B) in the case of calendar years 2021 through 2025, the lesser of—

“(i) the expenditures made by such possession during such calendar year for education efforts with respect to individual taxpayers and tax return preparers relating to such earned income tax credit, or

“(ii) \$50,000.

“(2) APPLICATION OF CERTAIN RULES.—Rules similar to the rules of subparagraphs (A), (B), and (C) of subsection (a)(4) shall apply for purposes of this subsection.

“(c) AMERICAN SAMOA.—

“(1) IN GENERAL.—With respect to calendar year 2021 and each calendar year thereafter, the Secretary shall, except as otherwise provided in this subsection, make payments to American Samoa equal to—

“(A) the lesser of—

“(i) the cost to American Samoa of the earned income tax credit for taxable years beginning in or with such calendar year, or

“(ii) \$16,000,000, plus

“(B) in the case of calendar years 2021 through 2025, the lesser of—

“(i) the expenditures made by American Samoa during such calendar year for education efforts with respect to individual taxpayers and tax return preparers relating to such earned income tax credit, or

“(ii) \$50,000.

“(2) REQUIREMENT TO ENACT AND MAINTAIN AN EARNED INCOME TAX CREDIT.—The Secretary shall not make any payments under paragraph (1) with respect to any calendar year unless American Samoa has in effect an earned income tax credit for taxable years beginning in or with such calendar year which allows a refundable tax credit to individuals on the basis of the taxpayer's earned income which is designed to substantially increase workforce participation.

“(3) INFLATION ADJUSTMENT.—In the case of any calendar year after 2021, the \$16,000,000 amount in paragraph (1)(A)(ii) shall be increased by an amount equal to—

“(A) such dollar amount, multiplied by—

“(B) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting ‘calendar year 2020’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

Any increase determined under this clause shall be rounded to the nearest multiple of \$100,000.

“(4) APPLICATION OF CERTAIN RULES.—Rules similar to the rules of subparagraphs (A), (B), and (C) of subsection (a)(4) shall apply for purposes of this subsection.

“(d) TREATMENT OF PAYMENTS.—For purposes of section 1324 of title 31, United States Code, the payments under this section shall be treated in the same manner as a refund due from a credit provision referred to in subsection (b)(2) of such section.”.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 77 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

“Sec. 7530. Application of earned income tax credit to possessions of the United States.”.

SEC. 9626. TEMPORARY SPECIAL RULE FOR DETERMINING EARNED INCOME FOR PURPOSES OF EARNED INCOME TAX CREDIT.

(a) IN GENERAL.—If the earned income of the taxpayer for the taxpayer's first taxable year beginning in 2021 is less than the earned income of the taxpayer for the taxpayer's first taxable year beginning in 2019, the credit allowed under section 32 of the Internal Revenue Code of 1986 may, at the election of the taxpayer, be determined by substituting—

(1) such earned income for the taxpayer's first taxable year beginning in 2019, for

(2) such earned income for the taxpayer's first taxable year beginning in 2021.

(b) EARNED INCOME.—

(1) IN GENERAL.—For purposes of this section, the term “earned income” has the meaning given such term under section 32(c) of the Internal Revenue Code of 1986.

(2) APPLICATION TO JOINT RETURNS.—For purposes of subsection (a), in the case of a joint return, the earned income of the taxpayer for the first taxable year beginning in 2019 shall be the sum of the earned income of each spouse for such taxable year.

(c) SPECIAL RULES.—

(1) ERRORS TREATED AS MATHEMATICAL ERRORS.—For purposes of section 6213 of the Internal Revenue Code of 1986, an incorrect use on a return of earned income pursuant to subsection (a) shall be treated as a mathematical or clerical error.

(2) NO EFFECT ON DETERMINATION OF GROSS INCOME, ETC.—Except as otherwise provided in this subsection, the Internal Revenue Code of 1986 shall be applied without regard to any substitution under subsection (a).

(d) TREATMENT OF CERTAIN POSSESSIONS.—

(1) PAYMENTS TO POSSESSIONS WITH MIRROR CODE TAX SYSTEMS.—The Secretary of the Treasury shall pay to each possession of the United States which has a mirror code tax system amounts equal to the loss (if any) to that possession by reason of the application of the provisions of this section (other than this subsection) with respect to section 32 of the Internal Revenue Code of 1986. Such amounts shall be determined by the Secretary of the Treasury based on information provided by the government of the respective possession.

(2) PAYMENTS TO OTHER POSSESSIONS.—The Secretary of the Treasury shall pay to each possession of the United States which does not have a mirror code tax system amounts estimated by the Secretary of the Treasury as being equal to the aggregate benefits (if any) that would have been provided to residents of such possession by reason of the provisions of this section (other than this subsection) with respect to section 32 of the Internal Revenue Code of 1986 if a mirror code tax system had been in effect in such possession. The preceding sentence shall not apply unless the respective possession has a plan, which has been approved by the Secretary of the Treasury, under which such possession will promptly distribute such payments to its residents.

(3) MIRROR CODE TAX SYSTEM.—For purposes of this section, the term “mirror code tax system” means, with respect to any possession of the United States, the income tax system of such possession if the income tax liability of the residents of such possession under such system is determined by reference to the income tax laws of the United States as if such possession were the United States.

(4) TREATMENT OF PAYMENTS.—For purposes of section 1324 of title 31, United States Code, the payments under this section shall be treated in the same manner as a refund due from a credit provision referred to in subsection (b)(2) of such section.

SA 1381. Mr. LEE (for himself and Mr. RUBIO) proposed an amendment to amendment SA 891 proposed by Mr. SCHUMER (for himself, Mr. WYDEN, Mrs. MURRAY, Mr. BROWN, Mr. PETERS, Mr. CARDIN, Ms. CANTWELL, Ms. STABENOW, Mr. TESTER, Mr. MENENDEZ, Mr. SCHATZ, Mr. CARPER, Mr. LEAHY, and Mr. SANDERS) to the bill H.R. 1319, to provide for reconciliation pursuant to

title II of S. Con. Res. 5; which was ordered to lie on the table; as follows:

In subtitle G of title IX, strike part 2 and all that follows through the end of part 4 and insert the following:

PART 2—CHILD TAX CREDIT

SEC. 9611. CHILD TAX CREDIT IMPROVEMENTS FOR 2021.

(a) IN GENERAL.—Section 24 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

“(i) SPECIAL RULES FOR 2021.—In the case of any taxable year beginning after December 31, 2020, and before January 1, 2022—

“(1) REFUNDABLE CREDIT.—Paragraphs (5) and (6) of subsection (h) shall not apply, and in applying subsection (d)—

“(A) subsection (d)(1)(A) shall be applied without regard to subsection (h)(4), and

“(B) subsection (d)(1)(B)(i) shall be applied by substituting ‘15.3 percent of the taxpayer's earned income (within the meaning of section 32) which is taken into account in computing taxable income’ for ‘15 percent of so much of the taxpayer's earned income (within the meaning of section 32) which is taken into account in computing taxable income for the taxable year as exceeds \$3,000’.

“(2) 17-YEAR-OLDS ELIGIBLE FOR TREATMENT AS QUALIFYING CHILDREN.—This section shall be applied—

“(A) by substituting ‘age 18’ for ‘age 17’ in subsection (c)(1), and

“(B) by substituting ‘described in subsection (c) (determined after the application of subsection (i)(2)(A))’ for ‘described in subsection (c)’ in subsection (h)(4)(A).

“(3) CREDIT AMOUNT.—Subsection (h)(2) shall not apply and subsection (a) shall be applied by substituting ‘\$3,300 (\$4,200 in the case of a qualifying child who has not attained age 6 as of the close of the calendar year in which the taxable year of the taxpayer begins)’ for ‘\$1,000’.

“(4) REDUCTION OF INCREASED CREDIT AMOUNT BASED ON MODIFIED ADJUSTED GROSS INCOME.—

“(A) IN GENERAL.—The amount of the credit allowable under subsection (a) (determined without regard to subsection (b)) shall be reduced by \$50 for each \$1,000 (or fraction thereof) by which the taxpayer's modified adjusted gross income (as defined in subsection (b)) exceeds the applicable threshold amount.

“(B) APPLICABLE THRESHOLD AMOUNT.—For purposes of this paragraph, the term ‘applicable threshold amount’ means—

“(i) \$150,000, in the case of a joint return or surviving spouse (as defined in section 2(a)),

“(ii) \$112,500, in the case of a head of household (as defined in section 2(b)), and

“(iii) \$75,000, in any other case.

“(C) LIMITATION ON REDUCTION.—

“(i) IN GENERAL.—The amount of the reduction under subparagraph (A) shall not exceed the lesser of—

“(I) the applicable credit increase amount, or

“(II) 5 percent of the applicable phaseout threshold range.

“(ii) APPLICABLE CREDIT INCREASE AMOUNT.—For purposes of this subparagraph, the term ‘applicable credit increase amount’ means the excess (if any) of—

“(I) the amount of the credit allowable under this section for the taxable year determined without regard to this paragraph and subsection (b), over

“(II) the amount of such credit as so determined and without regard to paragraph (3).

“(iii) APPLICABLE PHASEOUT THRESHOLD RANGE.—For purposes of this subparagraph, the term ‘applicable phaseout threshold range’ means the excess of—

“(I) the threshold amount applicable to the taxpayer under subsection (b) (determined

after the application of subsection (h)(3)), over

“(II) the applicable threshold amount applicable to the taxpayer under this paragraph.

“(D) COORDINATION WITH LIMITATION ON OVERALL CREDIT.—Subsection (b) shall be applied by substituting ‘the credit allowable under subsection (a) (determined after the application of subsection (i)(4)(A))’ for ‘the credit allowable under subsection (a)’.”

(b) ADVANCE PAYMENT OF CREDIT.—

(1) IN GENERAL.—Chapter 77 of such Code is amended by inserting after section 7527 the following new section:

“SEC. 7527A. ADVANCE PAYMENT OF CHILD TAX CREDIT.

“(a) IN GENERAL.—The Secretary shall establish a program for making periodic payments to taxpayers which, in the aggregate during any calendar year, equal the annual advance amount determined with respect to such taxpayer for such calendar year. Except as provided in subsection (b)(3)(B), the periodic payments made to any taxpayer for any calendar year shall be in equal amounts.

“(b) ANNUAL ADVANCE AMOUNT.—For purposes of this section—

“(1) IN GENERAL.—Except as otherwise provided in this subsection, the term ‘annual advance amount’ means, with respect to any taxpayer for any calendar year, the amount (if any) which is estimated by the Secretary as being equal to 50 percent of the amount which would be treated as allowed under subpart C of part IV of subchapter A of chapter 1 by reason of section 24(d) (after application of subsection (i)(1) thereof) for the taxpayer's taxable year beginning in such calendar year if—

“(A) the taxpayer's modified adjusted gross income for such taxable year is equal to the taxpayer's modified adjusted gross income for the reference taxable year,

“(B) the only children of such taxpayer for such taxable year are qualifying children properly claimed on the taxpayer's return of tax for the reference taxable year,

“(C) the ages of such children (and the status of such children as qualifying children) are determined for such taxable year by taking into account the passage of time since the reference taxable year, and

“(D) the earned income (within the meaning of section 32) which is taken into account in computing taxable income for the taxable year of such taxpayer for such taxable year is equal to the earned income for the reference taxable year.

“(2) REFERENCE TAXABLE YEAR.—Except as provided in paragraph (3)(A), the term ‘reference taxable year’ means, with respect to any taxpayer for any calendar year, the taxpayer's taxable year beginning in the preceding calendar year or, in the case of taxpayer who did not file a return of tax for such taxable year, the taxpayer's taxable year beginning in the second preceding calendar year.

“(3) MODIFICATIONS DURING CALENDAR YEAR.—

“(A) IN GENERAL.—The Secretary may modify, during any calendar year, the annual advance amount with respect to any taxpayer for such calendar year to take into account—

“(i) a return of tax filed by such taxpayer during such calendar year (and the taxable year to which such return relates may be taken into account as the reference taxable year), and

“(ii) any other information provided by the taxpayer to the Secretary which allows the Secretary to determine payments under subsection (a) which, in the aggregate during any taxable year of the taxpayer, more closely total the Secretary's estimate of the amount treated as allowed under subpart C